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INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS PRIORITY

RUEHBJ/AMEMBASSY BEIJING PRIORITY 3235

RUEHBY/AMEMBASSY CANBERRA PRIORITY 9070

RUEHUL/AMEMBASSY SEOUL PRIORITY 3550

RUEHKO/AMEMBASSY TOKYO PRIORITY 9593

RUEHWL/AMEMBASSY WELLINGTON PRIORITY 0601

RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY

RUEKJCS/CJCS WASHDC PRIORITY

RHEHNSC/NSC WASHDC PRIORITY

RUEKJCS/SECDEF WASHDC PRIORITY

RHHMUNA/USCINCPAC HONOLULU HI PRIORITY

C O N F I D E N T I A L SECTION 01 OF 04 JAKARTA 002819

SIPDIS

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E.O. 12958: DECL: 02/24/2016

TAGS: PREL MARR MASSPGOV PTER KN BM ID

SUBJECT: ADMIRAL FALLON CALLS ON PRESIDENT YUDHOYONO

Classified By: Ambassador Pascoe, reasons 1.4 (B) and (D).

Summary

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¶1. (C) PACOM Commander Admiral William J. Fallon called on President Yudhoyono (SBY) Feb. 23. SBY emphasized the importance of bilateral cooperation in multiple areas. He spoke of the progress in implementing peace in Aceh, and judged that in his view the situation will be fully settled within two years. Indonesian Armed Forces (TNI) respect for SBY's order to support peace and redeploy troops for tsunami aid in Aceh was a historic assertion of civilian control over the TNI. He is seeking progress in Papua based on Special Autonomy. The GOI's CT strategy includes direct confrontation of terrorists, empowering moderate groups and greater cooperation with neighbors around the Sulawesi Sea. On Iran, SBY said he would tell the Iranian Foreign Minister that day to respect all IAEA requirements. SBY will travel to Burma where he will suggest Indonesia's successful transition to democracy could serve as a model to regime leaders, and carry a letter from UNSYG Kofi Annan. SBY briefed the Admiral on Indonesian efforts to arrange a meeting between the two Korean Defense Ministers.

¶2. (C) Admiral Fallon replied that Indonesia's emerging democratic institutions had established a strong foundation for future cooperation. He praised SBY's willingness to take on difficult issues such as Burma and North Korea, and encouraged him to influence Iran positively. He sought SBY's vision of future military cooperation. Speaking broadly, SBY cited democratization, fighting corruption and reform as his priorities. On the military side, SBY said the focus should be on programs that build mutual confidence and demonstrate the positive effects of engagement on reform. Increasing professionalism and understanding of democracy within the TNI, and building up air transport and naval capacity were also important. SBY thanked the Admiral for the work of NAMRU II on infectious diseases, but noted that a new agreement needs to be worked out to allow for its continued presence. End Summary

¶3. (U) PACOM Commander Admiral William Fallon called on President Yudhoyono Feb. 23. He was accompanied by the Ambassador, POLAD Huso and other members of his staff. SBY was accompanied by Defense Minister Juwono Sudarsono and Armed Forces (TNI) Commander Djoko Suyanto.

SBY's Goals

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14. (C) SBY opened by affirming his strong commitment to furthering bilateral cooperation, including in the military to military area. Citing his several meetings with President Bush, he noted their shared vision of rapidly expanded political, military, and trade relations as well reinforced cooperation on avian influenza. Indonesia and the US are entering a new era with the lifting of U.S. restrictions on military cooperation, he said. The TNI are now fully under civilian control, he asserted, and TNI doctrine has changed to reflect its new role in a democratic society. Continued transformation of the TNI will be a challenge, as it will require adjusting mindsets and the dominant military culture. SBY added that he intended to equip the TNI with the minimum essential force for national defense and hoped that US decision to lift all restrictions on military assistance will be permanent.

Aceh Going Well

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15. (C) SBY described the peace process in Aceh as going well, although he estimated that it would take two years for the political process to be complete. In fulfillment of its obligations under the Helsinki Accords with the GAM (Free Aceh Movement) the TNI had removed all &non-organic8 units (those not made up of recruits from the region) and the Aceh Monitoring Mission had successfully supervised the turnover of weapons by GAM rebels. The Government has introduced special legislation for Aceh so that would allow the GAM to participate in legal political party activity. SBY recalled positively the rapid arrival of American Forces in the early

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days of the tsunami. Similarly in Papua, SBY said he is trying to solve the secessionist problem through political dialogue on the basis of Special Autonomy for the province. He thanked the U.S. for its long-standing public support for Indonesia's territorial sovereignty and integrity.

Counterterrorism and Regional Cooperation

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16. (C) On counterterrorism, SBY said Indonesia had won several battles but not the war. The Jemaah Islamiyah (JI) terrorist network has been disrupted through arrests and prosecutions and the recent killing of senior JI operative, Azahari. JI bomb expert, Noorudin Mat Top, remains at large but the police are increasing the pressure on him. The GOI would continue to fight such terrorists, who have global connections, directly. At the same time, SBY said that he wants to empower moderate forces within the country, promote interfaith dialogue, combat radicalism and prevent the existence of an atmosphere that is conducive to terrorist growth. SBY said that he has sought from his counterparts in Malaysia and the Philippines to increase cooperation in the Sulawesi Sea region. He praised U.S. support for Indonesian security agencies and looks forward to continued CT cooperation.

Iran Should Cooperate with the IAEA

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17. (C) Turning to the Middle East, SBY noted the difficulties that currently existed in the Middle East in such places as Iran, Syria, Palestine and Iraq. He expressed the hope that problems could be solved without excessive "pressure." The Foreign Minister of Iran was scheduled to see him later that day. He would make clear that Teheran should cooperate with the IAEA. SBY said that as an NPT signatory, Indonesia supports the rights of all signatories to the peaceful use of nuclear energy, but would be the first to oppose the misuse of the treaty for the purpose of acquiring nuclear weapons. SBY said Indonesia is waiting for the March 6 report to be submitted to the IAEA. Tehran must

cooperate with the world and their President's speeches were not helpful.

#### Upcoming Burma Trip

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¶ 8. (C) SBY said that while he regretted that Burma has refused the visit of the Malaysian Foreign Minister as ASEAN's representative, he himself will be traveling there the week of Feb. 27. He has agreed to carry a letter from UNSYK Kofi Annan asking that the Burmese regime accept the ASEAN emissary's visit and move forward on the roadmap to democracy. SBY said he has met regime head Than Shwe once, and Prime Minister Soe Win on three previous occasions. SBY said he would cite Indonesia's progress in his discussions with Burmese leaders as an example of how a military dominated government can transition to democracy. Implementing reform can allow the military to return to its core responsibilities. SBY pointed to the need for &someone8 (read: the US) to engage India and China on Burma. The competition between India and China for influence and access to Burma's resources has helped the regime resist world pressure. The Admiral replied that the U.S. is also trying to gain India and China's support to address the strife-torn situation in Nepal.

#### NAMRU II Presence Appreciated

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¶ 9. (C) SBY closed his initial remarks by citing the contribution that NAMRU II is making in cooperative efforts to combat avian influenza and other communicable diseases. While the original 1970 agreement needs to be updated to reflect the current political landscape, SBY said that he has issued clear instructions that continued cooperation is necessary.

#### Fallon: Democracy the Basis for Further Engagement

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¶ 10. (C) Admiral Fallon thanked SBY for his strategic review

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of key regional and bilateral issues. He agreed that the recent lifting of legislatively imposed restrictions on military assistance opened an important new era in bilateral cooperation, built on a foundation of shared commitment to democracy. He suggested that high goals be set for future cooperation and asked for SBY's vision on where he would like to take the relationship over the course of the next several years. The Admiral added that SBY's engagement in domestic and international problems ) ranging from Aceh to North Korea ) is very helpful in supporting the Administration's position that increased engagement with Indonesia is in the US interest. On Iran, the Admiral said with the human and energy resources it has, he did not comprehend why Iran is pursuing the path it has chosen on the nuclear issue. We would be grateful for SBY's intervention with the Iranians since Indonesia has the ability to play an influential role. The Admiral acknowledged the importance of Indonesian domestic economic challenges, their relationship with long-term security and stability. Indonesia had the ability to become the cornerstone of Southeast Asia and an example for countries far beyond the region.

#### SBY's Broad Vision

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¶ 11. (C) SBY said that his broadest vision is to move democratization, good governance and combating corruption forward. While these three areas are challenging, progress is being made step by step. On the military to military relationship, SBY recognized that he needed to build confidence within the US Congress by communicating clearly that he and his government knew what had to be done consolidate Indonesia's democracy and reform the TNI. The

Admiral agreed that showing tangible progress on military reform is necessary. SBY said that IMET is a critical program that should be tailored to demonstrating to Indonesian officers how military organizations function in democratic nations. The training should also emphasize professionalism, along with building technical and military skills.

Two Streams of Progress Needed for the TNIE

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¶12. (C) SBY said that a planning cell was looking hard at targeting expenditures for the military in ways that maximize severely limited budget resources. The readiness of aircraft and ships had to be improved to provide a minimum deterrent capability. More importantly, transport aircraft and ships were needed for humanitarian operations. The GOI also was interested in supporting relief operations outside Indonesia and had sent C-130's and helicopters to the Philippines to assist with the recent mudslide on Leyte.

The Korean Peninsula

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¶13. (C) SBY noted that he had sent a special envoy to Korea at the request of the South Korean Minister of Defense and that he was waiting for a positive response on a proposed meeting of the two defense ministers, possibly in Bandung. Indonesia wants to support the Six Party Talks and would consult further if the two ministers agree to meet. Admiral Fallon replied that the South Korean Defense Minister expressed his desire to meet with his Northern counterpart while visiting PACOM two weeks previously.

TNI Support in Aceh Historic

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¶14. (C) The Admiral noted that he would visit Aceh to see personally the progress that had been made. He said the agreement achieved there is an excellent example of implementation of a program for peace and human rights. SBY responded that credit had to go to recently retired TNI commander General Sutarto. When SBY arrived in Aceh after the tsunami, he immediately called on the GAM to work for peace and ordered the TNI to cease offensive operations and transfer personnel to rescue and relief efforts. SBY called Sutarto's enforcement of that civilian order historic, adding that he hoped someday to write a book about those events. TNI forces could have ignored the order and tried to take

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advantage of the destruction to attack the remaining GAM fighters. Instead, thousands of troops moved to the affected areas, providing relief and burying victims. The Helsinki talks were very controversial, particularly among nationalist politicians. The fact that the military chose to support the government's decision to seek a negotiated settlement was critical to the outcome. In closing, Admiral Fallon remarked that SBY's leadership in resolving the Aceh conflict is greatly admired in the US and internationally.

¶15. (U) Admiral Fallon has cleared this message.  
PASCOE